

A G E N D A



Recommendation for Council Action (CCO)

Austin City Council

Item ID:

63881

Agenda Number

8.

Meeting Date:

November 3, 2016

Department:

Capital Contracting Office

Subject

Authorize award and execution of a construction contract with FACILITIES REHABILITATION, INC., for Austin Energy's 4th and Rio Grande Chilled Water Transmission Main Project, in an amount not to exceed \$1,564,885 plus a \$312,977 contingency, for a total contract amount not to exceed \$1,877,862. (District 9)

Amount and Source of Funding

Funding is available in the Fiscal Year 2016-2017 Capital Budget of Austin Energy.

Fiscal Note

A fiscal note is attached.

Purchasing Language:

Lowest responsive bid of three bids received through a competitive Invitation for Bid solicitation.

Prior Council Action:

January 31, 2013 - Approved Professional Services Agreement with Bury + Partners, Inc. to provide engineering services for the 2013 Engineering Services for Chilled Water in the Right of Way Rotation List.

For More Information:

Rolando Fernandez, 512-974-7749; Sarah Torchin, 512-974-7141; Jim Collins, 512-322-6426; John Routh, 512-505-7820.

Boards and Commission Action:

October 17, 2016 - Recommended by the Electric Utility Commission on a vote of 7-0 with Commissioner Ferchill off the dais and Commissioners Mahmood and Roa absent..

Related Items:

MBE / WBE:

This contract will be awarded in compliance with City Code Chapter 2-9A (Minority Owned and Women Owned Business Enterprise Procurement Program) by meeting the goals with 88.28% MBE and 1.60% WBE participation.

Additional Backup Information

Austin Energy owns and operates three district energy systems that transform electrical energy into thermal energy which is then distributed, via a network of underground pipes, to external customers in the form of chilled water and steam services. The aggregation of loads enables superior efficiencies, reliability, and quality when compared to stand-alone systems. The thermal storage elements within each station enable On-Site Energy Resources to shift electrical consumption from on-peak to off-peak electrical periods. In this region, 40-45% of the electricity consumed by a typical commercial building goes to powering its air conditioning system.

The Austin Energy systems serve the Downtown Central Business District, the Domain, and Mueller. Currently Austin Energy has 68 customers and nearly 18.5 million square feet of space connected to its district energy systems. These customers include residential towers, office buildings, hotels, the Austin Convention Center, and City Hall. The Downtown and Domain systems provide chilled water services only. The Mueller Energy Center provides chilled water to neighboring buildings and chilled water, steam, and on-site generated electricity to the Dell Children's Medical Center.

The benefits of district energy to chilled water customers include reduced construction/capital costs, extraordinary reliability, and simple, low-risk operations. Benefits to Austin Energy and the City include having a valuable tool for economic development, providing new revenue from long-term service agreements, and advancement of environmental stewardship. Electric ratepayers benefit from reduced regulatory charges due to the electric demand management provided by the district cooling system.

This project will construct a chilled water transmission main to deliver chilled water to The Independent, a new 60 story high rise at 301 West Avenue. This new transmission main will connect to the existing chilled water main at West 5th Street and Rio Grande Street, and continue south on Rio Grande Street where it will tie into chilled water supply lines supported by the new bridge at West 4th Street.

Due to the potential for the contractor to encounter underground utilities, such as asbestos-containing concrete, large rock shelves, and other underground utilities, and potential schedule adjustments due to the large number of projects in this area of downtown, a 20% contingency in funding has been included to allow for the expeditious processing of any change orders. A contingency is an additional amount of money added to the construction budget to cover any unforeseen construction costs associated with the project.

Prior to construction, the Austin Energy project team will hold a meeting with affected property and business owners to provide them with details on the project. The project team will also provide updates to affected constituents along with the Project Manager's contact information so that impacted community members can have their questions answered in a timely manner.

This project is critical in providing chilled water service to The Independent. A delay in the award of the contract will impact Austin Energy's ability to meet the needs of the residents of this building.

The contract allows 120 calendar days for completion of this project. This project is located within zip code 78701 (District 9). The project will be managed by Austin Energy.

Facilities Rehabilitation, Inc. is located in Austin, Texas.

Information on this solicitation is available on the City's Austin Finance Online website. Link: [Solicitation Documents](#).